

INFORMATION REPORT

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COUNTRY China/Hong Kong

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SUBJECT Communist Gasoline Purchases in Hong Kong
25X1A

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SUPPLEMENT TO
REPORT NO.

1. On 16 June 1950 Chinese Communists in Hong Kong ordered 50,000 drums of high octane gasoline* from the Nan Hsin (南新) Company. Nan Hsin signed a contract with the British Asiatic Petroleum Company (APC) for the gasoline at US \$23.50 a drum, a total of US \$1,175,000, which was paid to APC by 3 banks, the Young Brothers Banking Corporation, the Chi Yu (集友) and the Hua Pei (華北) Banks.** Upon payment APC delivered 20,000 drums to Nan Hsin.
2. After the British Government restricted shipment of gasoline from Hong Kong on 30 June 1950,*** Nan Hsin approached the Kuang Nan (廣南) Transportation Company, Canton Road, Kowloon, to transport the gasoline secretly to Canton. HSIEN Yuan (謝源), HSIEN Ts'ang (謝蔭), LIAO Ch'eng-an (廖成安) and LIN Po-hsuan (林伯軒), who are connected with Kuang Nan, were held responsible for the shipment.
3. By 18 July 1950, 26,000 drums of gasoline had been shipped to Canton. The remaining 4,000 drums are stored with Kuang Nan at Lai Chi Kok in Kowloon.****

* Field Comment. There was no octane rating given.** Field Comment. Address of the Young Brothers Banking Corporation is given in the 1949 Hong Kong directory as Prince's Building, corner of Ice House Street and Chater Road.*** Comment. According to information available to this office, the British did not order suspension of gasoline shipments until 18 July.**** Field Comment. Another source reported a sale of 50,000 drums of aviation gasoline and diesel oil by Texaco to the Chinese Communists about 18 June. It is not certain whether this is the same sale.

Comment. It is not clear if the full order of 50,000 drums was received by Nan Hsin. Possible interpretation is that 20,000 drums were received by Nan Hsin and shipped to Canton before the ban, and that the remaining 30,000 drums were received but could not be shipped legally because of the ban.

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